

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**December 8, 2021**

Vendra Gardens, located at 150 Casey Road in Moorpark, requested and is being recommended for a reservation of \$4,087,127 in annual federal tax credits to finance the new construction of 198 units of housing serving large families with rents affordable to households earning 30-80% of area median income (AMI). The project requested \$23,579,581 in state tax credits, but due to the limited availability, is not being recommended any state tax credits. The project will be developed by Danco Communities and will be located in Senate District 44 and Assembly District 27.

**Project Number** CA-21-693

**Project Name** Vendra Gardens  
**Site Address:** 150 Casey Road  
Moorpark, CA 93021 County: Ventura  
**Census Tract:** 76.06

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$4,087,127	\$23,579,581
Recommended:	\$4,087,127	\$0

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

**Applicant Information**

**Applicant:** Community Revitalization and Development Corporation  
**Contact:** David Rutledge  
**Address:** 635 Parkview Avenue  
Redding, CA 96001  
**Phone:** (530) 241-6960  
**Email:** david@crdc-housing.org

**General Partner(s) or Principal Owner(s):** Johnson & Johnson Investments, LLC  
Community Revitalization and  
Development Corporation

**General Partner Type:** Joint Venture

**Parent Company(ies):** Johnson & Johnson Investments, LLC  
Community Revitalization and  
Development Corporation

**Developer:** Danco Communities

**Bond Issuer:** CMFA

**Investor/Consultant:** Redstone Capital

**Management Agent:** Danco Property Management

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 8  
 Total # of Units: 200  
 No. / % of Low Income Units: 198 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Central Coast Region  
 TCAC Project Analyst: Jonghyun(Tommy), Shim

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 21	11%
40% AMI: 21	11%
50% AMI: 21	11%
60% AMI: 75	38%
80% AMI: 60	30%

**Unit Mix**

80 1-Bedroom Units  
 68 2-Bedroom Units  
52 3-Bedroom Units  
 200 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 1 Bedroom	30%	\$593
8 1 Bedroom	40%	\$841
8 1 Bedroom	50%	\$988
32 1 Bedroom	60%	\$1,186
24 1 Bedroom	80%	\$1,661
7 2 Bedrooms	30%	\$667
7 2 Bedrooms	40%	\$1,009
7 2 Bedrooms	50%	\$1,111
27 2 Bedrooms	60%	\$1,334
20 2 Bedrooms	80%	\$2,018
6 3 Bedrooms	30%	\$741
6 3 Bedrooms	40%	\$1,166
6 3 Bedrooms	50%	\$1,235
16 3 Bedrooms	60%	\$1,482
16 3 Bedrooms	80%	\$2,332
2 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$11,000,000
Construction Costs	\$48,713,986
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,435,699
Soft Cost Contingency	\$671,497
Relocation	\$0
Architectural/Engineering	\$1,692,950
Const. Interest, Perm. Financing	\$4,750,685
Legal Fees	\$115,000
Reserves	\$752,491
Other Costs	\$11,133,733
Developer Fee	\$10,279,122
Commercial Costs	\$0
<b>Total</b>	<b>\$91,545,163</b>

**Residential**

Construction Cost Per Square Foot:	\$516
Per Unit Cost:	\$457,726
True Cash Per Unit Cost*:	\$426,072

**Construction Financing**

<u>Source</u>	<u>Amount</u>
Pacific Western Bank Tax-Exempt	\$48,333,567
Pacific Western Bank - Taxable	\$15,054,214
Tax Credit Equity	\$28,157,382

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
Pacific Western Bank	\$25,479,726
City of Moorpark	\$3,890,500
Deferred Developer Fee	\$6,330,726
State Credit Backfill (TBD)	\$20,750,031
Solar Tax Credit Equity	\$353,600
Tax Credit Equity	\$34,740,580
<b>TOTAL</b>	<b>\$91,545,163</b>

\*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$78,598,604
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$102,178,185
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,087,127
Total State Credit:	\$0
Approved Developer Fee (in Project Cost & Eligible Basis):	\$10,279,122
Investor/Consultant:	Redstone Capital
Federal Tax Credit Factor:	\$0.85000
State Tax Credit Factor:	\$0.88000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Significant Information / Additional Conditions**

The applicant has requested the use of a CUAC utility allowance. TCAC staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

**Resyndication and Resyndication Transfer Event:** None.

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.